

Message Text

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PAGE 01 MEXICO 03345 182337Z
ACTION ARA-10

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CIAE-00 TRSE-00 OES-06 OMB-01 PM-04 SP-02 /060 W
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FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 0960
INFO ALL USCONS MEXICO (BY POUCH)

C O N F I D E N T I A L MEXICO 03345

E.O. 11652: GDS
TAGS: ENRG, EFIN, MX
SUBJECT: THE MAJORS WOO PEMEX

REF: MEXICO 1142 (NOTAL)

1. PETOFF AND ECON COUNSELOR MET WITH PETER C. QUOYESER AND ROBERT L. BLANTON (PLEASE PROTECT), REPRESENTING AMOCO INTERNATIONAL OIL COMPANY, ON MARCH 16, 1977. AMOCO HAD APPROACHED PETROLEOS MEXICANOS (PEMEX) WITH A SOMEWHAT VAGUELY DEFINED PROPOSAL FOR AN EXPLORATION, DRILLING, AND PRODUCTIONCONTACT UNDER WHICH AMOCO WOULD PUT UP THE RISK CAPITAL AND PEMEX WOULD GUARANTEE THEM EITHER SOME PERCENTAGEOF THE PRODUCTION OR A FIXED NUMBER OF BARRELS PER DAY FROM THE FIELD(S) AMOCO DEVELOPS.

2. PEMEX OFFICIALS DID NOT WARM TO THIS PROPOSAL, A FACT THAT THIS EMBASSY DID NOT FIND SURPRISING. PEMEX HAD REJECTED ASIMILAR PROPOSAL BY ARMAND HAMMER SEVERAL MONTHS AGO.

3. EMBOFFS OUTLINED THE TYPES OF PROPOSALS FOR DRILLING IN THE GULF OF CAMPECHE THAT WE WERE AWARE OF. (THERE ARE 11 WE KNOW OF AND PROBABLY AS MANY THAT WE DO NOT.)PEMEX SEEMS TOFAVOR A SIMPLE DRILLING CONTRACT
CONFIDENTIAL

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PAGE 02 MEXICO 03345 182337Z

THAT WOULD END WITH WELL COMPLETION, PLATFORM INSTALLATION, AND POSSIBLY, OFFSHORE PIPELINE LAYING. PETOFF'S PERSONAL OPINION IS THAT ONE OR MORE SUCH CONTRACTS WILL BE SIGNED BY 1 AUGUST 1977.

4. IN A LUNCHEON CONVERSATION WITH SIEGFRIED MARKS, CHIEF

ECONOMIST FOR ESSO INTER AMERICANA, ON MARCH 16, PETOFF WAS TOLD THAT PEMEX HAD ALL THREE OF THEIR DRILLING BARGES OUT OF OPERATION FOR REPAIRS. TWO OF THE BARGES ARE LEASED BY PEMEX; THE THIRD THEY OWN. MARKS HAD ALSO HEARD THAT PEMEX WAS ABOUT TO SIGN LEASES FOR TWO SEMI-SUBMERSIBLES AND A JACK UP.

5. AMOCO REPS SAID THAT PEMEX HAD APPROACHED THEM IN EARLY JANUARY SEEKING A US \$400 MILLION LOAN AGAINST FUTURE DELIVERS OF CRUDE. ESSO REP CONFIRMED THAT SUCH A REQUEST WAS MADE TO HIS COMPANY BUT WAS NOT FAMILIAR WITH THE DETAILS. RATIO SEEMS TO BE \$40 MILLION PER 1000B/D OF CURRENT DELIVERIES. LOCAL MOBIL REP WAS NOT AWARE OF ANY SUCH PROPOSALS.

6. A KEY ADVISOR TO PEMEX'S DIRECTOR GENERAL IS LEAVING FOR LONDON WITHIN A WEEK. HE WANTS TO SEE SHELL-BP OPERATIONS IN THE FORTIES FIELD. DIAZ SERRANO WILL BE GOING TO LONDON LATER IN MARCH TO SIGN A \$300 MILLION EURO DOLLAR LOAN.

7. EMBASSY COMMENT: MAJORS INTEREST IN PEMEX FOLLOWS HOT ON THE HEELS OF NUMEROUS APPROACHES BY US INDEPENDENTS AND US-MEXICAN CONSORTIA. THE NEWS IS OUT WITHIN THE INDUSTRY THAT MEXICO HAS WHAT MAYBE THE BIGGEST PLAY EVER FOUND IN THE WESTERN HEMISPHERE. PEMEX IS WILLING TO LISTEN TO ANY AND ALL OFFERS. WE THINK, HOWEVER, IT WILL CHOOSE A US INDEPENDENT DRILLING COMPANY. THOMPSON

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*** Current Handling Restrictions *** n/a

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